

Treasury Annual Report

For the fiscal year ended March 31, 1995

*Shaping a new vision in fiscal management for Alberta . . .
by changing the way we do business*



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Treasury Annual Report

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Treasury Annual Report

*Shaping a new vision in fiscal management for Alberta . . .
by changing the way we do business*

Introduction

Treasury is a department on the move — exploring new paths in financial management and service delivery — with a goal to help shape a more affordable, effective and accountable public service in Alberta. For the past three years, we've worked hard to develop and fine tune a framework to improve the way business and financial decisions are made across government.

This report outlines the results of year one in Treasury's first three-year business plan. It lists the accomplishments and activities that occurred during the 1994-95 fiscal year, and, for the first time in our history, it includes Ministry performance measures which reflect feedback from our stakeholders and Albertans.

The way we do business has changed — there are services we no longer directly control and as a result, program and support functions have shifted to a new structure. These transition areas are explained inside the report. We have also included Treasury's financial tables to show what we did with the money we had and a highlight table that gives a snapshot of what was accomplished this past year.

The report also looks forward — to the four key outcomes Treasury must deliver by 1997-98. Plus it contains overviews for two of our main reporting agencies, Alberta Treasury Branches and the Alberta Securities Commission.

Before we look at the specifics on what we did this year, it's important to know Treasury's role within government and what direction we're taking — our four key outcomes — over the next couple of years.

In 1993 we put everything on the table and completed a fundamental review of our role and programs. We concluded that our primary role is to provide financial management and strategic financial, fiscal and management policy advice to government. This is how we do it:

- ◆ facilitate sound business planning and fiscal decisions
- ◆ develop and maintain a framework for improving the accountability of Ministries for their financial and business decisions, and for reporting financial information
- ◆ manage the province's financial assets and liabilities
- ◆ collect revenue
- ◆ foster an efficient financial marketplace.

Mission:
Serving
Albertans
through
excellence in
financial
management,
services,
and advice.

*"Alberta's
commitment to
maintaining its fiscal
integrity and its
resolve to live within
the means provided
by taxpayers are
viewed favourably."*

- Canadian Bond Rating
Service, March 1995

Business and Fiscal Management

Pages 5 to 9

Revenue Branch

Pages 10 to 14

Financial Assets and Liabilities

Pages 15 to 22

Capital Markets

Pages 23 to 26

The following four key outcomes are a fundamental part of our business plan:

Outcome 1:

- ◆ A framework for accountability including Ministries' business planning and budgets, deficit elimination and debt reduction.

Outcome 2:

- ◆ A provincial tax system that is fair, competitive, simple and efficient.

Outcome 3:

- ◆ Effective and prudent management of the province's financial assets and liabilities.

Outcome 4:

- ◆ An efficient, fair and competitive capital market and regulatory environment for financial institutions.

Highlights

At a glance, these are the results we achieved in 1994-95.

- ◆ Sound fiscal planning contributed to the Province's first surplus in a decade.
- ◆ Developed the Balanced Budget and Debt Retirement Act and Government Accountability Act, establishing the long-term framework for business and fiscal planning.
- ◆ Eliminated centralized control of payroll and accounts payable and privatized these functions through a joint venture — PSC Payment Systems Corporation.
- ◆ Disposed, or assisted in the disposition, of assets and business investments no longer consistent with government objectives: NorthWest Trust, Magcan, Lloydminster Bi-provincial Upgrader, Alberta Resources Railway, Rocky Mountain Life and much of the remaining NovAtel loan portfolio.

- ◆ Streamlined the corporate tax collection process, reduced the paper burden on businesses and reorganized within Treasury to focus on clients.
- ◆ Renegotiated Alberta Farm Credit Stability Program and Small Business Term Assistance program lender administration fee from 2.875% to 1.875% per annum (savings of \$45 Million over five years).
- ◆ Completed market valuation and public review of the Heritage Fund.
- ◆ Established the Alberta Securities Commission as an industry funded provincial agency.
- ◆ Completed high level review of Treasury Branches and legislative amendments to provide for a board of directors.
- ◆ Continuously improved the budget process and progressed toward consolidated budgeting (1996-97 budget will be consolidated).
- ◆ Continued to meet timely financial reporting commitment with more user friendly reports and additional information such as salary disclosure.
- ◆ Reported initial performance measures in *Measuring Up*.

Figure 1

1994-95 Program Activity Overview

(thousands of dollars)

	1994-95 Estimate	1994-95 Actual	Comparable 1993-94 Actual
PROGRAMS			
I. Operating and Capital Budget			
1. Business and Fiscal Management	\$ 5,668	\$ 5,267	\$ 5,986
2. Revenue	16,724	15,908	18,386
3. Financial Assets and Liabilities	7,298	6,334	7,580
4. Capital Markets	8,004	6,857	7,290
5. Transition - Financial Re-engineering	6,370	6,700	8,898
6. Program Support	4,503	4,187	4,359
7. Employee Insurance and Compensation	2,761	2,760	2,299
Total - Operating and Capital	<u>51,328</u>	<u>48,013</u>	<u>54,798</u>
II. Legislated Payments			
1. Net Statutory	56,797	51,326	72,934
2. Pension Liability Funding	96,174	90,589	33,524 *
3. Debt Servicing Costs	1,502,000	1,570,855	1,468,012
Total - Legislated Payments	<u>1,654,971</u>	<u>1,712,770</u>	<u>1,574,470</u>
TOTAL DEPARTMENT	<u>\$1,706,299</u>	<u>\$1,760,783</u>	<u>\$1,629,268</u>
III. Valuation Adjustments, Obligations under Guarantees and Indemnities, and Other Provisions			
	<u>\$ (12,000)</u>	<u>\$ 28,000</u>	<u>\$ 640,000</u>

* Excludes payment of \$18,168,000 with respect to the Teachers' Retirement Fund which was made from a supply vote in Education.

Business and Fiscal Management

Figure 2

Business and Fiscal Management

(thousands of dollars)

	Operating Expenditure	Capital Investment	Total 1994-95 Actual
PROGRAM BUDGET DETAILS			
Budget Bureau	\$ 1,358	\$ 4	\$ 1,362
Tax and Fiscal Policy	1,469	25	1,494
Financial Management (Office of the Controller)			
Standards and Practices	540	—	540
Reporting	834	3	837
Monitoring and Analysis	245	1	246
Operations	786	2	788
Total - Business and Fiscal Management	\$ 5,232	\$ 35	\$ 5,267

Office of the Controller

This office proposes and prepares accounting and financial control policies, keeps or prescribes accounting records, prepares the Public Accounts, and administers government payroll and pension plans. The Controller's function will continue to undergo change as responsibility and accountability for internal financial controls is transferred to departments and pension operations are corporatized.

These goals were the primary focus for the Office of the Controller during the 1994-95 fiscal year:

- ◆ to provide timely, understandable financial and management information
- ◆ to increase departmental accountability and responsibility
- ◆ to maintain sound financial management and provide related advice, assistance and services to departments and others
- ◆ to finalize arrangements to establish a joint venture to deliver accounts payable and payroll services to government departments.

We looked for a new way to pay our employees, suppliers and grant recipients. We did it through a new partnership with PSC Payment Systems Corporation.

Achievements:

More Timely, Understandable Information

- ◆ prepared the 1993-94 Public Accounts by June 23, 1994, seven days before the target and 77 days earlier than the previous fiscal year
- ◆ included capital asset and salary and benefits information in the 1993-94 Public Accounts
- ◆ provided financial statements of universities, public colleges, technical institutions and provincially-owned hospitals in Volume 4 of the Public Accounts
- ◆ developed a policy to record and amortize capital assets that was implemented with Budget '95
- ◆ included the annual amortization cost for government-owned assets to better reflect the cost of services for each department

Less Administration, More Accountability

- ◆ worked to formalize an accountability framework for the government overall and for individual Ministries under the Government Accountability Act. The Act was passed in May of 1995 and comes into force upon proclamation. This legislation spells out the requirements that government and ministries must prepare and publish fiscal plans, business plans and annual reports, including financial statements and the measurement of results. It also requires provincial agencies, Crown-controlled organizations, school boards and regional health authorities to submit a business plan and annual report to the appropriate minister.
- ◆ advised and assisted the government's financial staff on various accounting and financial management issues
- ◆ developed amendments to the Financial Administration Act
- ◆ Government accepted recommendations to repeal or amend 15 Treasury Board directives to streamline administration
- ◆ reviewed more than 60 pieces of proposed legislation to ensure that accounting and financial control issues were addressed.

Budget and Fiscal Policy Branch

The Budget and Fiscal Policy Branch manages the provincial budget review and approval process, prepares economic and fiscal forecasts and provides research, analysis and recommendations on the province's fiscal, economic, taxation and pension policies. It is also responsible for intergovernmental fiscal relations and for providing statistical information. The branch has two sections.

Budget Bureau

Budget Bureau was responsible for coordinating the development, review and implementation of government and department business plans and the annual budgets. It was also responsible for preparing Estimates documents, Appropriation Acts, quarterly expenditure budget updates and other budget-related public documents and reports. The area coordinated the release of spending authority to departments and monitored in-year compliance.

In addition to its traditional advisory and analysis responsibilities, the Bureau looked at new and innovative activities to support government restructuring, business planning, deficit elimination, and improving the efficiency and effectiveness of government programs.

Achievements:

Budget and Business Plan Process

- ◆ Implemented capital asset budgeting including the redesign and restatement of departmental business plans (Better Way II) and Estimates documents.
- ◆ Coordinated and helped implement proposals to use net budgeting of program revenue against department spending for Treasury Board review
- ◆ Provided support to Treasury Board and Standing Policy Committee Chairs during the business plan review.

Budget '95

- ◆ Designed a format for 1994-95 Supplementary Estimates to reflect reallocations of expenditure authority between departments' voted appropriations.

"We congratulate you on having instituted one of the most transparent and conservative methods in the country for reporting on the province's financial situation."

- Alberta Committee,
Canadian Bankers'
Association,
March 1995

"... gives [the Alberta] government high marks for its conservative forecasting and for being upfront with information."

- Brad Wright,
Canadian Federation
of Independent
Business,
February 1995

Like a homeowner, Government has begun to make regular principal payments on its mortgage — we made a \$672 million debt payment in 1995.

- ◆ Combined the Main Estimates and Elements Details presentations into a single more informative document and prepared the spending highlights sections of Budget '95 in cooperation with Ministries.

Counsel and Support

- ◆ Helped manage the implementation of performance measurements on a department and cross-government basis, and coordinated the production of *Measuring Up*.
- ◆ Supported Ministries' efforts on business plan proposals and budget submissions
- ◆ Directed and advised on salary disclosure information required by Treasury Board Directive.
- ◆ Helped Ministries develop performance measures focussing on program outputs and policy outcomes.

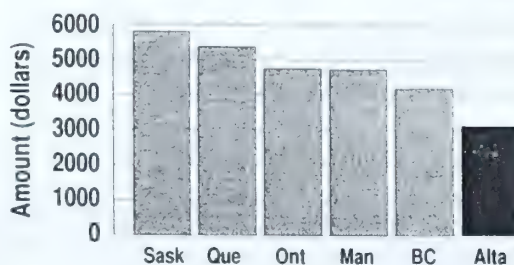
Tax and Fiscal Policy

This area co-ordinated the overall fiscal plan, monitored fiscal performance throughout the year, and prepared the Quarterly Updates to Albertans. It developed the economic and revenue forecasts used for planning purposes across government and provided data services and advice for government planning.

Tax and Fiscal Policy provided analysis and advice on:

- ◆ budgetary matters, and recommendations on policies and initiatives
- ◆ overall tax policy (including personal and corporate income taxes, and consumption taxes) to ensure that Alberta's tax system is competitive (see Figure 3)
- ◆ economic issues affecting Alberta and its major trading partners
- ◆ integration of the tax system and social programs to ensure consistency across government in determining eligibility for government programs

Figure 3
Provincial Taxes and Premiums
(Two-income family earning \$55,000;
2 children ages 8 and 10)

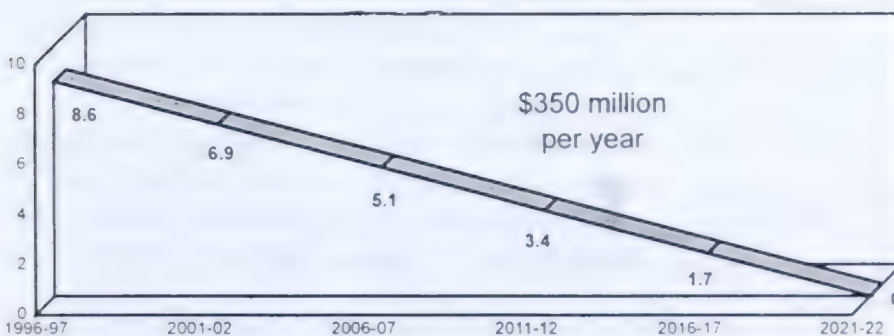


- ◆ major intergovernmental transfer arrangements to ensure Alberta's interests are protected
- ◆ pension policies to follow through on reform measures and ensure that the Crown's interests are protected.

Achievements:

- ◆ Prepared the fiscal and economic forecasts and analysis underlying the budget plan.
- ◆ Participated in the design and implementation of the new property tax system, finalizing the development of the Alberta Seniors' Benefit.
- ◆ Amended the Deficit Elimination Act to include new, stricter standards for resource revenue and corporate income tax forecasting.
- ◆ Developed the Balanced Budget and Debt Retirement Act to eliminate the province's net debt over 25 years, with legislated five-year mileposts. The plan requires an estimated average annual payment of \$350 million (see Figure 4), with a minimum payment of \$100 million.

Figure 4
Alberta's Debt Retirement Plan
(billions of dollars)



- ◆ Prepared and made public three quarterly budget updates, the 1995-96 Budget and the 1995-96 Estimates documents.
- ◆ Completed several major statistical consulting projects on a cost recovery basis.

As part of its overall plan to attack the debt without harming basic government services, government approved the Balanced Budget and Debt Retirement Act. The Act put into law a requirement that budgets must be balanced and lays out a plan for the regular, orderly pay down of Alberta's debt. This legislation is the first of its kind to be passed in Canada.

"... applauded the province's new law to make deficit budgets illegal after 1995-96 and its 25-year plan to eliminate the province's net debt."

- Canadian Bond Rating Service, March 1995

Revenue Branch

Figure 5

Revenue Branch

(thousands of dollars)

	Operating Expenditure	Capital Investment	Total 1994-95 Actual
PROGRAM BUDGET DETAILS			
Operations and Audit	\$ 7,140	\$ 2	\$ 7,142
Revenue Administration	3,497	—	3,497
Revenue Systems	3,710	249	3,959
Interpretations and Appeals	352	—	352
Compensation to Agents	515	—	515
Tax and Fiscal Policy	437	6	443
Total - Revenue	\$ 15,651	\$ 257	\$ 15,908

*The Fraser Institute
lauded "Alberta's
impressive
performance in
balancing its budget,
introducing no new
direct income or
corporate taxes,
eliminating
regulations,
streamlining
municipal affairs and
privatizing services."*

- March 1995

The Revenue Branch manages the collection of taxes and certain receivables on behalf of the province. The branch administers programs and collects all corporate and consumption taxes under the Alberta Corporate Tax Act, Fuel Tax Act, Tobacco Tax Act, Hotel Room Tax Act and Pari Mutuel Tax Act. It also administers several tax exemption, incentive, credit and rebate refund programs, including the Royalty Tax Credits, Alberta Small Business Deduction, Alberta Farm Fuel Distribution Allowance, Alberta Indian Tax Exemption, Tax Exempt Fuel User program and Utility Companies Income Tax Rebates.

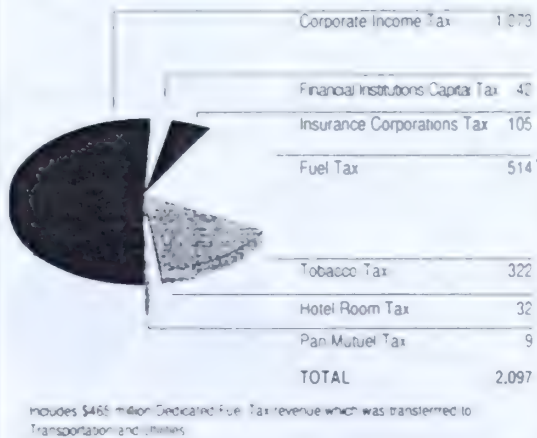
The branch provides revenue services to all government departments, including overdue receivables management, remitting the Goods and Services Tax (GST) collected by Crown agencies and departments, and depositing the Alberta Personal Income Tax collected by the federal government.

Achievements:

- ◆ Simplified the administrative process and reduced the paper and compliance burden on corporations after responsibility for collecting

Alberta Corporate Income Taxes (CIT) was not taken on by the federal government by:

Figure 6
Sources of Corporate and Consumption Tax Revenue
 1994-95
 (millions of dollars)



- ◆ exempting certain corporations from filing CIT where there was no tax to pay, eliminating the filing burden for more than 50,000 corporations
- ◆ exempting small Alberta corporations not eligible for the Alberta Small Business Deduction from making monthly tax instalments
- ◆ began planning for more initiatives to simplify the CIT process in the next fiscal year
- ◆ Launched a number of changes to the Tobacco Tax Act in response to the federal government's initiative to lower excise taxes on tobacco products to combat smuggling by:
 - ◆ introducing new penalty provisions and strengthened enforcement legislation
 - ◆ implementing marking program for tobacco products that began on July 1, 1994
 - ◆ improving compliance under the Alberta Indian Tax Exemption (AITE) program by changing the rebate process to curb the significant rise in tobacco tax refund claims and started plans to introduce a point of sale system and electronic fund payments.
 - ◆ working with other provinces to prohibit illegal cross-province shipments of tobacco products
- ◆ Improved program delivery based on the needs of taxpayers by:
 - ◆ moving responsibility for eligibility determination for the Alberta Farm Fuel Distribution Allowance to Alberta Agriculture
 - ◆ outsourced computer applications systems development and maintenance functions

In 1994-95, corporate and consumption tax revenue totalled \$1.6 billion, making up 10% of government revenue. (see Figure 6)

Alberta Treasury completed a consultation with industry and professional groups to find ways to streamline administration of the corporate income tax system and reduce and eliminate overlap and duplication.

- ◆ changing Crown Debt Collections (CDC) to operate on a revolving fund basis, allowing departments who pay for CDC services the option of using the service or seeking the same from other privatized collection agencies
- ◆ Improved working relationships with other jurisdictions by:
 - ◆ joining forces with Revenue Canada in an Underground Economy Task Force
 - ◆ resolving issues with Revenue Canada and the Province of Ontario on interprovincial income allocation
 - ◆ working with Revenue Canada and the Province of Ontario to establish an electronic filing process for corporate tax returns
- ◆ Recovered in excess of \$10.2 million from overdue accounts receivable.
- ◆ Sent \$232.9 million in remittances to the federal government
- ◆ Received over \$3 billion in Alberta Personal Income Tax transfers from the federal government.
- ◆ Changed business processes and organizational structure to position the branch to meet future challenges.

Figure 7
Major Activities
1994-95

Number	
Tax Payments Processed	135,199
Statements of Account Issued	159,483
Refund Cheques Issued	45,834
Tax Returns and Claims	
Assessed/Processed	184,241
Reassessments	16,343
Objections and Appeals	
Completed	423
Technical Interpretations	
Provided	1,253
Total Registrations	
(all programs)	233,051
Benefit Programs Applicants	
Approved	13,236
Crown Debt Collections	
New Accounts	7,326
Public Enquiry Responses	64,749
Program Form Distributions	12,978
Corporate Tax Audits Completed	391

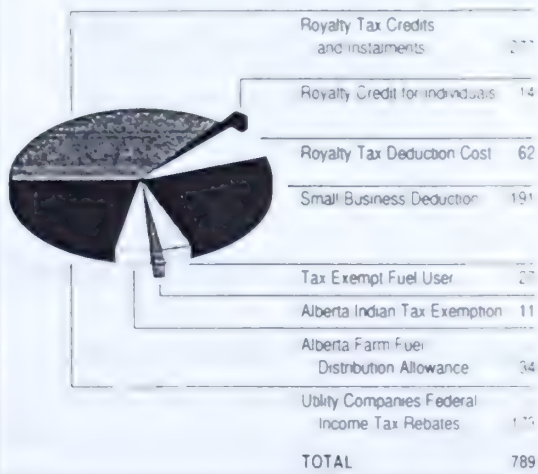
Four divisions carry out the business function of Tax and Revenue Administration (TRA): Operations and Audit, Revenue Administration, Interpretations and Appeals, and Revenue Systems. Figure 7 is a summary of Revenue Branch activities. This is what they do.

Operations and Audit

The Operations and Audit Division processes corporate and consumption tax program remittances, refunds and rebates, determines Royalty Tax Credits and Royalty Credits for individuals and trusts (see

Figure 8), maintains accounts for taxpayers and other program registrants, issues assessments and reassessments, provides tax revenue forecasting and reporting and responds to account specific enquiries. It also audits and verifies corporate and consumption tax reported under the self-assessment system, and considers proposals from other jurisdictions for adjustments in allocation of corporate income subject to tax.

Figure 8
Distribution of Tax Credits, Grants, Rebates & Deductions
1993-94
(millions of dollars)



Revenue Administration

Revenue Administration maintains taxrolls for all corporate and consumption tax and exemption programs, collects taxes, and initiates filing compliance and collection actions. It determines eligibility under the Alberta Indian Tax Exemption program (AITE), the Tax Exempt Fuel User program (TEFU) and the International Fuel Tax Agreement (IFTA). It also provides revenue services to all government departments.

Interpretations and Appeals

Interpretations and Appeals considers objections under the Alberta Corporate Tax Act and the Alberta consumption tax acts. It provides rulings, technical opinions and key technical material for publications, and develops changes to regulations and recommends amendments to the legislation.

Alberta Treasury's Revenue Branch administers several tax reduction, rebate, credit and exemption programs and is in the process of re-engineering its business to streamline process deliveries including changes to filing of tax returns and tax payments.

In 1995, consumption and corporate tax audit initiatives recovered more than \$3.2 million and \$13.1 million in revenues respectively.

Albertans, on average, pay one third less in combined provincial income, sales and fuel taxes.

Revenue Systems

Revenue Systems plans and manages the development, implementation and operation of computer application systems to support operational and administrative functions of the Revenue Branch.

Financial Assets and Liabilities

Figure 9

Financial Assets and Liabilities

(thousands of dollars)

	Operating Expenditure	Capital Investment	Total 1994-95 Actual
PROGRAM BUDGET DETAILS			
Investment Management	\$ 641	\$ —	\$ 641
Cash, Banking and Securities Administration	2,563	—	2,563
Loans and Guarantees	614	12	626
Finance Planning and Analysis	655	7	662
Risk Management and Insurance	1,842	—	1,842
Total - Financial Assets and Liabilities	\$ 6,315	\$ 19	\$ 6,334

Finance Branch

The Finance Branch manages the marketable investments and the province's debt portfolio that fall under the responsibility of the Provincial Treasurer. The branch also provides financial and policy analysis related to the Heritage Fund, Crown corporation capital budgets and financing, financial sector policy, and major project investments. It's responsible for financial analysis and recommendations on proposed government financing, and administers the remaining government loan and guarantee agreements.

The branch arranges and administers the financing for the Farm Credit Stability and Small Business Term Assistance programs through financial institutions. It also provides management and administrative support to the Alberta Municipal Financing Corporation, the Alberta Government Telephone Commission, the Alberta General Insurance Company, and administrative support to the Alberta Resources Railway Corporation.

Four groups falling under the Finance Branch umbrella play an important role in the management of the province's assets and liabilities — Investment Management, Banking and Cash Management, Loans and Guarantees, and Finance Planning and Analysis.

*Alberta Treasury
manages the
financial assets
of the province.*

Investment Management

The Investment Management unit develops and implements strategies to manage monies under the stewardship of the Provincial Treasurer including the province's debt.

Asset Management

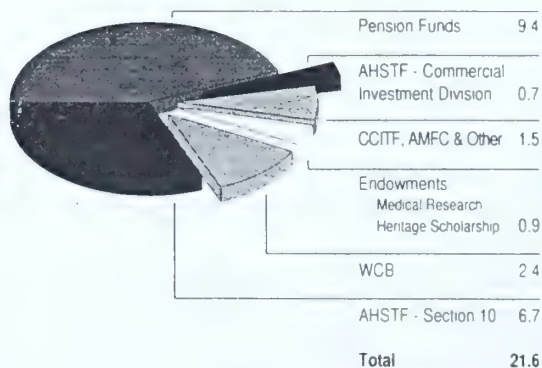
This area invests funds to provide for liquidity, public sector pensions, endowment programs, and sinking fund obligations. Assets under management include short-term securities, bonds, mortgages, equities and real estate. It also provides a consolidated cash investment fund for most provincial corporations and agencies. (At March 31, 1995, 253 depositors had contributed \$1.5 billion.) In total, these assets are more than \$21 billion (see Figures 10 and 11).

Achievements:

- ◆ Researched, developed and implemented a number of new strategies to achieve competitive returns on investments. Longer term performance of all managed funds has been good relative to a group of comparable funds.
- ◆ Used structured swap investments (like bonds and stock swaps) to increase investment opportunities and diversify risk in international and Canadian money markets.
- ◆ Used new analytical tools and structured investments to enhance investment opportunities, capitalize on market developments and control risk on existing investments.
- ◆ Revised investment policy statements for each pension board.

Figure 10
Investment Portfolios

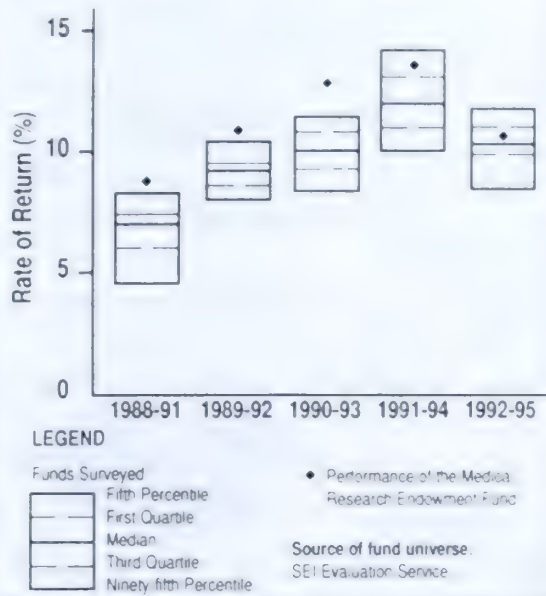
March 31, 1995
(billions of dollars, market value)



At March 31, 1995, asset funds managed by the department totalled \$21.6 billion at market values.

Figure 11
Balanced Funds: Total Fund
Annualized Rates of Return

*For moving four-year periods
 ending March 31*



- ◆ When new pension funds were created in 1993, we streamlined processes to reduce paperwork and improve efficiency. This year, we found more ways to use similarities between the funds without duplicating administration and still meet the needs of the fund's stakeholders.

The pension group of funds had assets of \$9.4 billion at year end.

Debt Management

This group manages the province's debt by borrowing in national and international capital

markets to meet the province's financing requirements. Through prudent liability management, borrowing costs are minimized within an acceptable level of risk.

The province uses financial tools like interest rate swaps, currency swaps and foreign exchange contracts to manage interest rate risk and currency exposure on unmatured debt. These financial tools are used to modify characteristics of an existing debt obligation.

Achievements:

- ◆ \$1.55 billion of term debt was issued this fiscal year in the Canadian domestic market, the Euro-Yen market and the Alberta Capital Bond program. The proceeds from term debt issues were used primarily to refund maturing debt issues.
- ◆ Launched a new \$US 1.5 billion flexible borrowing program (Euro-Medium Term Note program) for Canadian and European money markets. It allows the province to raise funds as they are required at less cost.

Regardless of which currency debt is originally issued, all debt is subsequently swapped into Canadian or US dollars. This eliminates third currency exposure on Alberta's debt portfolio.

The department settled 11,300 securities transactions during the year.

Figure 12
No Third Currency Exposure
Currency Exposure on Direct Debt of \$18.5 billion



Figure 13
Fixed Versus Floating Direct Debt*



* Net of Heritage Fund Marketable Securities

- ◆ At March 31, 1995, 28 per cent of Alberta's gross direct debt was payable in US dollars (see Figure 12). Borrowing in US dollars creates a "natural hedge". Even though borrowing costs on US debt rise when the Canadian dollar declines, resource revenues (like oil royalties and natural gas royalties) rise to offset any borrowing increases.
- ◆ Sixty-one per cent of Alberta's direct debt was at fixed rates of interest and 39 per cent was at floating or varied interest rates (see Figure 13).

Banking and Cash Management

Banking and Cash Management administers the cash management system of the province. The net balance of all government bank accounts is determined at the end of each day. This provides for efficient management of the day-to-day cash needs of the province, ensuring that every surplus dollar of provincial cash flow is fully invested. This structure also enables Alberta Treasury to effectively manage the Consolidated Cash Investment Trust Fund, which produces good returns to its participants. Cash flows, in the order of \$180 billion annually, are monitored using financial institution reporting systems. The division is responsible for settlement and custody of the investments of the province and administration of the debt portfolio. It also maintains the computer system and network for the branch.

Achievements:

- ◆ Worked with other departments and agencies to streamline revenue collection cash flow using external financial institutions
- ◆ Worked with departments to convert payment systems to save time and money by using direct deposit and outsourcing opportunities.

Figure 14
Annual Securities Transaction
by Type

Number of transactions in 1994-95



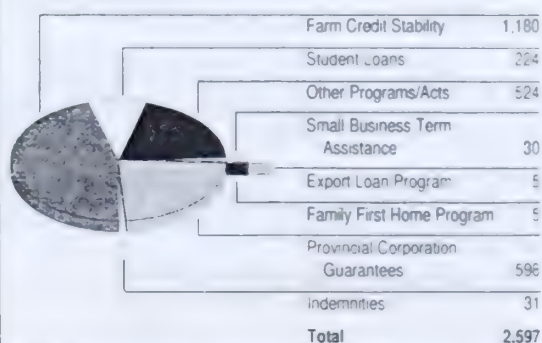
- ◆ Moved from a mainframe application to a new Securities Management System on a time-share basis to reduce annual operating costs (see Figure 14).

Loans and Guarantees

Loans and Guarantees administers major project loan agreements and agreements relating to guarantees and indemnities given by the Crown (see Figure 15).

Figure 15
Composition of Total Guarantees
and Indemnities Outstanding

at March 31, 1995
(millions of dollars)



Achievements:

- ◆ The province's contingent liability under guarantee and indemnity agreements decreased from \$3,221 million at March 31, 1994 to \$2,597 million at March 31, 1995.

Government kept its promise to get out of the business of business — North West Trust Company was amalgamated with Canadian Western Bank in December 1994.

Alberta Capital Bonds have been a popular investment vehicle for Albertans since 1987. By 1994, more than \$4.3 billion had been invested in these bonds.

The province realized \$16.5 million in profits from the sale of NOVA Corporation common shares in August 1994. This money went into the province's General Revenue Fund.

- ◆ Participated in the sale of the province's ownership of North West Trust Company and in an interdepartmental team coordinating the sale of the Magnesium Company of Canada Ltd. assets, held as security for a loan guarantee.
- ◆ Administered the loan guarantees and the management contract with Canadian Western Bank for two subsidiaries of the AGT Commission named NFI Finance, Inc. and 496072 Alberta Ltd (assets formerly owned by NovAtel). These companies generated a combined profit of approximately \$20.1 million for the year ended December 31, 1994 and made substantial progress in disposing of assets and retiring the guaranteed bank loans, which went from \$212 million at December 31, 1993 to \$33.9 million at December 31, 1994.
- ◆ Disposed of \$17 million in mortgage and real estate assets of N.A. Properties (1994) Ltd., a provincial corporation that disposes of mortgage and real estate assets acquired from troubled financial institutions in the late 1980s.

Finance Planning and Analysis

This division coordinates strategic planning and policy analysis for the Alberta Heritage Savings Trust Fund and prepares related publications. It provides analysis and advice on provincial crown corporations and financial sector policy and legislation. As well, it prepares documentation on the province's borrowing program, and provides forecasts and analysis of debt financing costs and Heritage Fund investment income.

Achievements:

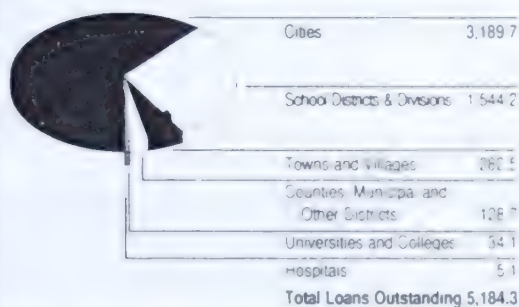
- ◆ Participated in the planning and organization of the formal, public review of the Heritage Fund, including providing analysis and coordinating a valuation of the Heritage Fund by a group of Canadian investment dealers.
- ◆ Provided technical resource assistance to the review committee during the entire review process.
- ◆ Coordinated legal documentation for three term debt issues and one loan agreement which raised over \$900 million in 1994-95 and for the Euro-Medium Term Note program.
- ◆ Coordinated and filed the Province's updated Annual Disclosure form with the US Securities Exchange Commission.
- ◆ Coordinated a \$360 million Capital Bond sales campaign.

- ◆ Participated in intergovernmental discussions on financial sector harmonization.
- ◆ Contributed to amendments to the Loan and Trust Corporations Act, passed in the fall of 1994 and amendments to regulations under the Credit Union Act, authorized in February 1995. The process for amending the Insurance Act is well underway with broad participation from industry groups.
- ◆ Co-ordinated the sale of North West Trust to Canadian Western Bank and worked with Alberta Energy on the sale of the province's interest in the Lloyminster Bi-Provincial Upgrader.
- ◆ Renegotiated with financial institutions the administration fees related to the Farm Credit Stability and Small Business Term Assistance programs.

Alberta Municipal Financing Corporation (AMFC)

AMFC provides long-term funds at the province's own borrowing cost to over 400 local authorities. Nearly 8,000 loans totalling almost \$5.2 billion were outstanding at March 31, 1995 (see Figure 16).

Figure 16
Loans Outstanding - AMFC
at March 31, 1995
(millions of dollars)



Risk Management and Insurance

The Risk Management and Insurance Division administers a program to protect, secure and preserve public assets against risk of accidental loss. The program includes statistical and contractual analysis, risk inspection and claims adjusting services. Through the Risk Management Regulated Fund, insurance is purchased on a cost-effective basis. Some specific types of risk are self-assumed through the Fund.

Achievements:

- ◆ Reduced the claim file backlog by almost 50 per cent by helping departments handle their own lower dollar claims and recoveries.
- ◆ Prepared departments to assume financial responsibility of their insurance costs by improving loss control activities and risk identification.

Figures 17 and 18 show claims frequency and values.

Figure 17
Claims Frequency

Number of Claims by Class

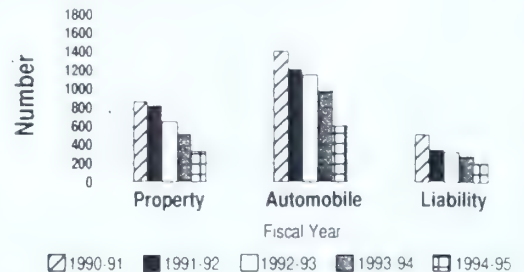
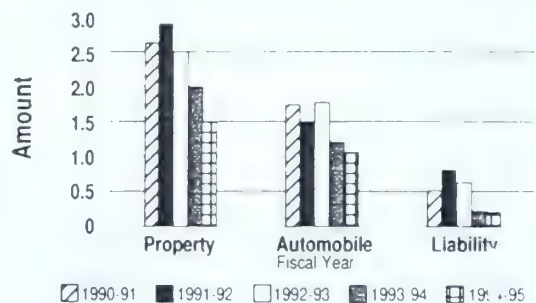


Figure 18
Claims Values

Net Loss by Class (millions of dollars)



Capital Markets and Regulation of the Financial Marketplace

Figure 19

Capital Markets and Regulation of the Financial Marketplace

(thousands of dollars)

	Operating Expenditure	Capital Investment	Total 1994-95 Actual
PROGRAM BUDGET DETAILS			
Alberta Securities Commission	\$ 4,550	\$ 36	\$ 4,586
Subtotal - Capital Markets	4,550	36	4,586
Financial Institutions	625	7	632
Principal Group Wind-up	281	—	281
Insurance Standards and Automobile Insurance Board	1,358	—	1,358
Subtotal - Regulation of the Financial Marketplace	2,264	7	2,271
Total	\$ 6,814	\$ 43	\$ 6,857

Alberta Securities Commission

The Alberta Securities Commission regulates Alberta's capital market and the sale of franchises in Alberta. The Commission administers and enforces the Securities Act, the Franchises Act and certain provisions of the Business Corporations Act.

It carries out four main activities:

- ◆ registration of companies and salespersons trading securities, commodities and franchises
- ◆ review of prospectuses and other offering documents
- ◆ review of applications for various orders and rulings, including applications for exemptions
- ◆ enforcement of regulatory requirements

Note: A copy of the Securities Commission's annual report may be obtained by contacting either the Edmonton or Calgary office at: 21st Floor, 10025 Jasper Avenue, Edmonton, Alberta, T5J 3Z5, Phone 427-5201; #410, 300 - 5th Avenue S.W., Calgary, Alberta, T2P 3C4, Phone 297-6454.

The Alberta Securities Commission strives to balance the need for adequate investor protection with the need for a competitive marketplace.

The Securities Amendment Act establishes the Securities Commission as a Provincial Corporation, confirming its rule-making powers and making it industry-funded.

Financial Institutions and Insurance

Financial Institutions regulates the activities of Credit Union Central, and loan and trust companies operating in Alberta. It also monitors these institutions to ensure they comply with applicable legislation. The Superintendent of Insurance regulates insurance companies and monitors the solvency of all insurers except those that are federally registered (see Figure 20).

Achievements:

- ◆ An industry-government advisory committee is reviewing the Insurance Act. One of its subcommittees reviewed financial solvency requirements and corporate governance issues respecting insurers. A second subcommittee reviewed market conduct issues such as new insurance distribution mechanisms. The project is expected to be completed by March 1996 in the form of draft legislation.
- ◆ Credit Union Central, four Alberta incorporated trust corporations and seven Alberta insurance corporations with total assets exceeding \$4.0 billion, were examined for financial solvency and legislative compliance. In addition, 25 insurance and 52 trust companies incorporated in other jurisdictions were monitored for legislative compliance and financial performance.
- ◆ Following discussions with the Credit Union System, the following major revisions to the Credit Union Act and Regulations were made:
 - ◆ creating investment shares as a new vehicle to strengthen credit union equity,
 - ◆ modernizing of capital requirements to include both risk weighted asset and liability-based calculations,
 - ◆ granting credit union representation prior to many regulatory decisions, and

Figure 20

Insurance Companies Licensed

	1994	1993*
Provincial Companies	7	8
Extra-Provincial Companies	25	23
Canadian Registered Companies	262	270
Reciprocal Exchanges	8	8
Fraternal Associations	16	18
TOTAL	318	327
New Companies Admitted	9	7
Companies Withdrawn	9	10
Companies Merged: 2 into 1	9	8

* Adjusted.

Alberta Treasury monitors the financial performance of Credit Union Central, 60 loan and trust companies, and 32 insurance companies incorporated in Alberta or other provinces.

- ♦ requiring the largest credit unions and Credit Union Central to disclose senior executive compensation.

Public Access to Financial Institutions Information

Detailed corporate and financial information is available from the Loan Corporations Register, Trust Corporations Register, and Credit Union Register.

The Loan, Trust and Credit Union Registers are accessible to the public through Corporate Registry by telephone, computer or in person. The Insurance Register is accessible through the office of the Superintendent of Insurance.

Credit Union Deposit Guarantee Corporation (CUDGC)

CUDGC ensures that deposits maintained in Alberta credit unions are secure and that Alberta credit unions are operated in compliance with legislation and sound business practices. It provides a 100 per cent guarantee of deposits held with Alberta credit unions. The size of the Deposit Guarantee Fund, as a percentage of total credit union assets, is shown in Figure 21. This fund has accumulated from deposit guarantee assessments paid by credit unions at an annual rate of 0.25 per cent of deposits and borrowings.

Achievements:

- ♦ Effective November 1, 1994, CUDGC reduced the rate of 0.25 per cent to 0.19 per cent, subject to annual review.
- ♦ Monitored credit union performance, adopted measures to minimize risk, supervised credit unions receiving government support or in need of assistance, and provided loan approvals on loans above credit union lending limits.

Figure 21
CUDGC - Equity
Deposit Guarantee Fund
(percentage of total credit union assets)



In May 1994, government introduced changes to the Credit Union Act, placing credit unions on a more equal footing with other financial institutions in Alberta.

Figures 22 and 23 give

statistical highlights on the performance of credit unions.

Figure 22

Credit Union Growth Rate

(percentage increase, as at March 31)

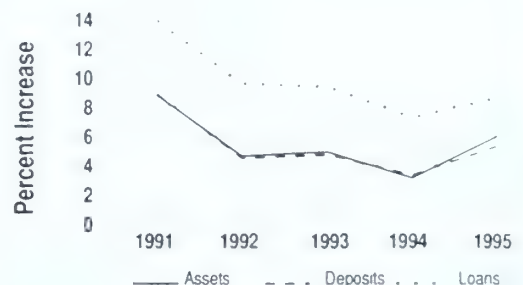


Figure 23

Credit Union Equity

(millions of dollars, as at March 31)



Alberta Automobile Insurance Board

The Alberta Automobile Insurance Board is responsible for approving the premiums insurers charge for compulsory automobile insurance coverages (third party liability and accident benefits) and the premiums the Facility Association charges for all automobile insurance coverages.

Alberta Insurance Council (AIC)

The Alberta Insurance Council (AIC) is responsible for the licensing of insurance agents and adjusters, and for the investigation of complaints against insurance companies, agents and adjusters. AIC's decisions may be appealed to the Superintendent of Insurance.

Transition - Financial Re-engineering

Figure 24

Transition - Financial Re-engineering

(thousands of dollars)

	Operating Expenditure	Capital Investment	Total 1994-95 Actual
PROGRAM BUDGET DETAILS			
Payroll	\$ 1,270	\$ —	\$ 1,270
Accounts Payable	4,405	64	4,469
Project Management/Transition	954	7	961
Total - Transition - Financial Re-engineering	\$ 6,629	\$ 71	\$ 6,700

Transition

Major changes have been made to some of the basic functions provided by Alberta Treasury. As planned, Treasury has transferred responsibility for internal financial management and control to departments:

- ◆ As set out in the department's three-year business plan, Alberta Treasury formed a joint venture, PSC Payment Systems Corporation, to deliver payroll and accounts payable services to government departments. The joint venture was in operation by the target date of February 1995.

Accounts Payable/Payroll

Alberta Treasury operated the central payment of the accounts system for the government. These functions were successfully transferred to the new joint venture in February 1995, five months prior to the original target date set out in the 1994 business plan.

The Government and PSC Payment Systems Corporation joint venture marked the first step toward transferring full responsibility for internal financial management to departments — a goal set out in Alberta Treasury's business plan.

Program Support

Figure 25

Program Support

(thousands of dollars)

	Operating Expenditure	Capital Investment	Total 1994-95 Actual
PROGRAM BUDGET DETAILS			
Provincial Treasurer's Office	\$ 384	\$ —	\$ 384
Deputy Provincial Treasurers' Office	401	—	401
Administrative Support	2,788	89	2,877
Communications	431	11	442
Standing Policy Committee on Financial Planning	83	—	83
Total - Program Support	\$ 4,087	\$ 100	\$ 4,187

Administration

The Administration Division provides financial, information technology, records management, personnel, library/research and general support services to the department.

Achievements:

- ◆ Responsibility for processing garnishees under the Civil Service Garnishee Act was transferred to departments. Training and assistance was provided to departments.
- ◆ Efficiencies were realized through the conversion from manual to electronic interface payments to fuel dealers and payments to retailers under the Alberta Indian Tax Exemption Program.
- ◆ New accounting structures and procedures were developed to charge departments, funds and agencies for central payroll and banking services through the Treasury Revolving Fund.
- ◆ Coordinated the conversion of the government's Workers' Compensation premium assessment account from a single to a three-tiered rate structure. Also, converted assessments from a fiscal to a calendar year basis.
- ◆ Following the corporatization of central payroll services, the Park Plaza Building was restacked, resulting in two floors being vacated.
- ◆ Assumed responsibility for the day-to-day operation of the department's telephone system under a telecommunications pilot project with Public Works, Supply and Services.

Figure 26
FTE Profile

(Budgeted FTE's for 1994-95*)



* Includes Securities Commission;
excludes Alberta Treasury Branches

- ◆ Assisted staff affected by departmental restructuring by identifying redeployment opportunities, providing career counselling and retraining. Support was also given through the provision of 29 Separation Payments for Restructuring.
- ◆ Participated in the preparation of reports

Budgeted FTE's were reduced by 38.5 — down from 835.3 in 1993-94 to 796.8 in 1994-95.

and updates relating to the Ministry's deregulatory initiative. Coordinated the Ministry's input for the *Alberta Government Deregulation: Back to Basics* report published by the Alberta Government Caucus Task Force on Deregulation.

- ◆ Assisted in the review of Treasury Ministry regulations as part of the government's deregulation program.
- ◆ Systems units within Administration and the Office of Budget and Management were amalgamated and networks consolidated.

Communications

Communications provides internal and external communications support for Alberta Treasury.

Achievements:

- ◆ Answered hundreds of public and media queries about Alberta's finances
- ◆ Designed new approaches to deliver messages inside and outside the department, including piloting government use of the Internet
- ◆ Provided advice to the Provincial Treasurer's office, senior officials and other members of the department on information dissemination
- ◆ Provided writing and editorial assistance, public relations consulting services and graphic design/print production were provided in support for all Alberta Treasury initiatives and public documents.

Service Delivery Network

Edmonton

Headquarters

Terrace Building
9515 - 107 Street
Edmonton, Alberta
T5K 2C3

Phone: 427-3035
Fax: 422-2163

Tax and Revenue Administration

Haultain Building
9811 - 109 Street
Edmonton, Alberta
T5K 2L5

Phone: 427-0712 or
1-800-363-6296

Risk Management and Insurance

Haultain Building
9811 - 109 Street
Edmonton, Alberta
T5K 2L5

Phone: 427-4134
Fax: 422-5271

Pensions Administration

Park Plaza Building
10611 - 98 Avenue
Edmonton, Alberta
T5K 2P7

Phone: 427-2782
Fax: 421-1652

Alberta Securities Commission

21st Floor, 10025 Jasper Avenue
Edmonton, Alberta
T5J 3Z5

Phone: 427-5201
Fax: 422-0777

Calgary

Regional Tax and Revenue

Administration Office
5th Floor, 620 - 7th Avenue S.W.
Calgary, Alberta
T2P 0Y8

Phone: 297-5200
Fax: 297-5238

Alberta Securities Commission

#410, 300 - 5th Avenue, S.W.
Calgary, Alberta
T2P 3C4

Phone: 297-6454
Fax: 297-6156

Employee Insurance and Compensation

Figure 27

Employee Insurance and Compensation

(thousands of dollars)

	Operating Expenditure	Capital Investment	Total 1994-95 Actual
PROGRAM BUDGET DETAILS			
Workers' Compensation - Government Employees (Pre-1986)	\$ 2,750	\$ —	\$ 2,750
Retirement Annuities and Gratuities	10	—	10
Total - Employee Insurance and Compensation	<u>\$ 2,760</u>	<u>\$ —</u>	<u>\$ 2,760</u>

This program provides funds for workers' compensation coverage of provincial government employees for accidents that occurred prior to April 1986. Funding is also provided for retirement annuities and gratuities.

These two programs are attached to Alberta Treasury for administrative purposes. Payments are made by Treasury on behalf of all government departments.

Legislated Payments - Net Statutory

Figure 28

Legislated Payments - Net Statutory

(thousands of dollars)

	Operating Expenditure	Capital Investment	Total 1994-95 Actual
PROGRAM BUDGET DETAILS			
Corporate Tax Interest Refunds	\$ 8,760	\$ —	\$ 8,760
Farm Credit Stability Program	42,384	—	42,384
Pension Administration Fund (Net)*	(258)	364	106
Small Business Term Assistance Program	—	—	—
Treasury Revolving Fund (Net)**	(18)	94	76
Total - Legislated Payments	<u>\$ 50,868</u>	<u>\$ 458</u>	<u>\$ 51,326</u>

* In addition to the net amount, the Pension Administration Fund spent \$9.0 million, which was reimbursed by the seven pension funds.

** In addition to the net amount, the Treasury Revolving Fund spent \$8.8 million, which was reimbursed by the Alberta Municipal Financing Corporation, Treasury and other government departments, and various investment funds.

Figure 29

Pensions - Program Budget Details

(thousands of dollars)

	Operating Expenditure	Capital Investment	Total 1994-95 Actual
PROGRAM BUDGET DETAILS			
Pension Administration Fund*	\$ (258)	\$ 364	\$ 106
Pension Liability Funding**	90,589	—	90,589
Total - Pensions	<u>\$ 90,331</u>	<u>\$ 364</u>	<u>\$ 90,695</u>

* In addition to the net amount, the Pension Administration Fund spent \$9 million, which was reimbursed by the seven pension funds.

** Includes \$33.5 million for the Teachers' Retirement Fund.

Pensions

Alberta Pensions Administration (APA) administers eight government pension plans. APA's responsibilities include the collection of pension contributions, the calculation and payment of benefits, the communication of plan provisions to employers and members through workshops and written materials and financial reporting.

Plan members include MLAs entitled to pensions, provincial judges, provincial employees, police officers, academic and other university employees, and employees of cities, municipalities, hospitals, colleges, technical institutions and non-teaching staff of school boards across the province (see Figure 30).

Achievements:

- ◆ Administered contributions to the plans from about 145,000 contributors, totalling \$598 million.
- ◆ Co-ordinated payments to participants of all plans, totalling \$552 million, including \$466 million to 38,900 pensioners during the last fiscal year.
- ◆ Responsibility for investment policy was transferred to the Boards in 1994. Since then, the Boards established their roles as policy developers. Specifically, they have worked to develop investment policies and direct administration in its role as service provider. The Boards worked together, and with administration, to improve services and to ensure all responsibilities were met.

Figure 30
Total Number of Pensioners,
Pensions Paid, and Employers
by Plan

as at March 31, 1995

Pension Plan	Pensions Paid (\$000)	Pensioners	Employers
Public Service	116,121	13,410	46
Local Authorities	208,944	20,401	486
Public Service Management (Closed Membership)	55,820	2,204	12
Members of the Legislative Assembly*	3,827	227	1
Universities Academic	45,504	1,509	5
Special Forces	20,886	725	8
Provincial Judges and Masters in Chambers	1,564	36	1
Management Employees	12,988	419	14
TOTAL	465,654	38,931	573

* Active participation in this plan terminated June, 1993.

Pension Communications assisted plan members and employers with their pension planning, and distributed information bulletins. This group conducted 83 employer workshops, and 189 employee information seminars throughout the province, and answered approximately 40,000 telephone and mail inquiries.

Debt Servicing Costs

Debt servicing costs include:

- ◆ interest payments on debt issued for the General Revenue Fund and Capital Fund
- ◆ provision for foreign exchange rate changes on debt

In 1995-96, debt servicing costs will include interest payment and provision for foreign exchange rate changes on Farm Credit and Small Business debt. Figures 31 through 33 provide an overview of the province's debt position.

Figure 31
Direct Debt Outstanding*

Book amount at March 31, 1995
(millions of dollars)

	General Revenue Fund
Term debt issues	
Canadian dollar debt:	
Issued in Canada	
Canada Pension Plan	679
Term promissory notes	621
Euro-Medium Term Notes	54
Alberta Capital Bonds	2,022
Debentures	5,303
Issued in Europe	1,272
US dollar debt:	
Issued in Europe	4,450
Issued in USA	999
Total term debt	15,400
Short-term debt:	
Treasury bills	421
Promissory notes	891
Heritage Fund notes	1,381
US commercial paper	418
Total short-term debt	3,111
Total debt outstanding	18,511

* Includes debt of Farm Credit and Small Business Funds merged with General Revenue Fund at March 31, 1995

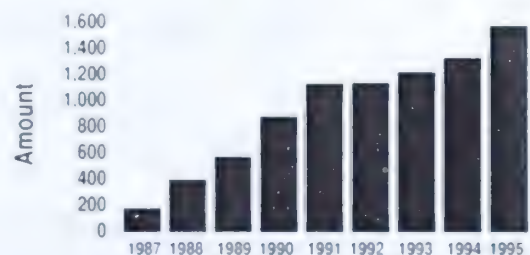
Figure 32
**Term Debt Borrowing,
by Currency**

1986-87 to 1994-95
(millions of dollars CDN)



Figure 33
**Debt Service Cost* of the
General Revenue Fund and
Capital Fund**

Fiscal year ending March 31
(millions of dollars)



* Includes valuation provisions on unhedged US dollar debt, amounting to \$150 million in 1994-95

Performance Measures 1994-95

Alberta Treasury's business plan provides for four key outcomes to be achieved during the period ending 1997-98. The key outcomes, overall measures, and the results achieved are as follows:

Outcome 1: A framework for accountability including Ministries' business planning and budgets, deficit elimination and debt reduction.

Measure:

Meeting the annual budget targets in the Deficit Elimination Act (DEA) to 1996-97 and then meeting the five-year, net reduction milestones in the Balanced Budget and Debt Retirement Act (BBDRA).

- ◆ Public Accounts - annual Consolidated Deficit subject to the DEA

Result: 1994-95 Budget Estimate was \$1.55 Billion
DEA Deficit Ceiling was \$1.8 Billion
1994-95 Actual was a \$958 Million Surplus

- ◆ Audit Committee Report - level of satisfaction with the government's progress towards achieving a balanced budget

Result: Report scheduled for release by August 31, 1995

Measure:

Satisfaction of Albertans with the government's financial reporting and the usefulness and timeliness of financial reports.

- ◆ The overview and consolidated financial statements for a fiscal year are available for release by the target date

Result: Target release of Volume 1 of the
1994-95 Public Accounts June 30, 1995

Actual release of Volume 1 of the
1994-95 Public Accounts June 23, 1995

- ◆ Percentage of accounting policies that follow recommended Public Sector Accounting and Auditing Board (PSAAB) standards

Result: 100% of PSAAB standards were followed

Measure:

Scope of financial management decisions within the authority of departmental and agency officials.

- ◆ Number of changes to the Financial Administration Act or related regulations that increase departmental responsibility and/or accountability

Result: Bill 17 and 23 amended the Financial Administration Act; regulatory review continues; two Treasury Board Directives rescinded and eighteen were amended or replaced; accountability legislation was enacted; full consolidation of Ministry budgets is underway.

- ◆ Satisfaction of users with direction provided by Treasury

Result: Ministry Senior Financial Officers were surveyed. The overall satisfaction level with the direction provided is 70%.

Outcome 2: A provincial tax system that is fair, competitive, simple and efficient.

Measure:

Tax effort as measured by relative taxes (provincial and municipal) paid by Albertans.

“Tax effort” is defined as the ratio of actual taxes (provincial and municipal) collected by a province to the taxes the province would have collected at the national average rates.

Result: Alberta's 1994-95 tax load as a percentage of the Canadian average is 76.9%, the lowest in Canada.

Measure:

Cost to government per \$100 of revenue collected.

- ◆ Total operating costs directly related to collecting tax revenue divided by total tax collected. Tax collected to include gross revenue from tax programs administered by Treasury excluding corporate income taxes.

Result: In 1994-95, it cost the Alberta government 79¢ to collect \$100 of tax revenue compared to \$1.03 in the previous fiscal year.

Measure:

Cost to government per tax return assessed.

- ◆ Total operating costs directly related to processing tax returns or benefit claims divided by total number of returns/claims processed

Result: In 1994-95, it cost the Alberta government \$80.92 to process a tax return compared to \$94.31 in the previous fiscal year.

Measure:

Industry compliance costs.

- ◆ Sample survey of costs incurred by taxpayers to comply with tax programs administered by Treasury

Result: Treasury is currently conducting a taxpayer survey.

Measure:

Level of satisfaction with the administration of the tax system in terms of fairness and equity.

- ◆ Sample survey of taxpayers/tax collectors level of satisfaction, expressed as a percentage of positive responses to Treasury's administration of the tax system

Result: Treasury is currently conducting a client satisfaction survey.

Outcome 3: Effective and prudent management of the province's financial assets and liabilities.

Measure:

Rates of return on investments.

- ◆ Annualized rates of return based on market values for the Heritage Fund.

Comparative rates of return for ScotiaMcLeod indices and the TSE 100 are provided in italics in the following chart. Rates of return have been calculated at market value using the time-weighted method. Market value time-weighted rates of return are the standard investment industry measures of performance.

Market indices have been chosen that provide a point of reference for the returns of the commercial components of the Heritage Fund. The short-term and mid-term components of the Cash and Marketable Securities portfolio have a slightly different term structure than the indices. Depending on the level of interest rates, the components can earn a higher or lower return than the indices. Equity returns in the Commercial Investment Division reflect the higher weighting of stocks of larger companies in the Division relative to the TSE 100.

Result:	Year Ending March 31/95	
	One Year	Five Years
Cash and Marketable Securities		
Short-term (less than 1 year)	6.2 %	8.0 %
<i>ScotiaMcLeod 91 day T-bill¹</i>	6.0 %	7.9%
Mid-term (1-5 years)	7.3 %	10.0%
<i>ScotiaMcLeod short-term bonds¹</i>	6.9 %	11.0%
Total Return Cash and Marketable Securities	6.5 %	9.1%
Commercial Investment Division		
Money market	6.3 %	— ²
<i>Scotia McLeod 91 day T-bill¹</i>	6.0 %	7.9%
Equities	7.3 %	5.4%
<i>TSE 100¹</i>	3.4 %	6.6%
Total Return Commercial Investment Division	6.8 %	5.1%

¹ Indices are shown in italics.

² Not calculated separately prior to March 31, 1992.

- ◆ Annualized rates of return based on book values for the Heritage Fund.

Rates of return have been calculated at book value using the internal rate of return method. The internal rate of return is the average rate earned by each and every dollar invested during the period.

Book value rates of return reflect the income earned by the Fund in its financial statements and are an appropriate measure to compare with the cost of debt reported in our financial statements (Accounting Cost).

	Year Ending March 31/95	
	One Year	Four Years
Total Fund Return	8.0%	10.1%

- ◆ Annualized rates of return based on market values for the Medical Research Endowment Fund and the Scholarship Fund

Rates of return have been calculated at market value using the time-weighted method. Comparable rates of return for SEI Balanced Funds are provided in italics below. SEI is a Canadian investment performance measurement firm which provides a median return for other funds in Canada. The median return is the mid-point where 50% of the funds earned a higher return and 50% earned a lower return

	Year Ending March 31/95	
	One Year	Five Years
Medical Research Endowment Fund	4.7%	11.8%
Scholarship Fund	4.6%	11.4%
<i>SEI Median Return for Balanced Funds</i>	<i>5.1%</i>	<i>10.8%</i>

Measure:

Cost of debt.

Cost of debt measures relate to gross General Revenue Fund debt of \$18.5 billion at March 31, 1995. Treasury manages the financing of new cash requirements and the refinancing of maturing debt to minimize borrowing costs within an acceptable level of risk. Risk is the volatility of costs resulting from changes in interest rates and currency movements.

- ◆ Accounting Cost - debt serving cost (including foreign exchange valuation adjustments on debt) as a percentage of weighted average debt outstanding. The accounting cost of debt has been calculated at book values using a method similar to an internal rate of return.

Result:	Year Ending March 31/95	
	One Year	Four Years
Cost	8.8 %	8.9%

- ◆ **Economic Cost** - total cost of carrying debt portfolio (cash interest cost and change in market-value debt outstanding) measured in Canadian dollars. The economic cost of debt has been calculated at market values using the time-weighted method.

Result:	Year Ending March 31/95	
	One Year	Two Years
Short-term debt	6.1%	—
Medium and long-term debt	6.7%	—
Total	6.5%	6.6%

- ◆ **Market Spreads** - Alberta's cost of borrowing is determined relative to the federal government interest rate for the same term. The difference in the interest rate Alberta would pay on a particular term debt compared to the federal government is called a market spread. The relative market spread for comparable provinces is a reflection of provincial credit rating, the market's perception of the province's fiscal management and how the provincial debt is managed. Alberta is currently able to borrow at comparable or better market spreads from Canada as British Columbia (rated AA+), which is rated higher than Alberta (rated AA).

Result:

	5 Year				10 Year			
	Canada Rate (%)	Alberta	B. C.	Ontario	Canada Rate (%)	Alberta	B. C.	Ontario
		(basis point spread)				(basis point spread)		
March 31, 1991	9.39	+60	+61	+61	9.52	+62	+63	+63
March 31, 1992	8.53	+51	+56	+71	8.76	+70	+75	+90
March 31, 1993	6.90	+46	+49	+75	7.52	+58	+61	+84
March 31, 1994	7.64	+30	+30	+50	8.03	+30	+30	+66
March 31, 1995	8.73	+11	+13	+30	8.67	+17	+19	+36
Credit Rating		AA	AA+	AA-		AA	AA+	AA-
Source: Quotes from investment dealers for interest rates on new borrowing in the Canadian bond market.								

Measure:

Condition of Risk Management Fund

- ◆ Financial statements provide evidence of fund's abilities to meet its obligations

Result:

	Assets	Liabilities	Equity
March 31/95	\$3,371,676	\$7,026,984	\$(3,655,308)
March 31/94	4,676,185	8,073,068	(3,396,883)

Commencing in 1995-96, the Risk Management Fund will be administered on a full cost recovery basis through the assessment of premiums to clients. The deficit in the Fund arising from claims attributable to events before April 1, 1995 will be retired in future fiscal years, as cash is required, commencing with a payment of \$1,050,000 in 1995-96.

Measure:

Magnitude of losses covered by the Risk Management Fund

- ◆ Number and cost of losses compared annually

Result:

	March 31/95		March 31/94	
	Number	Amount	Number	Amount
Liability Claims	199	\$ 187,916	281	\$ 225,775
Property Claims	336	\$1,493,492	518	\$1,982,693
Automobile Claims	614	\$1,086,025	984	\$1,173,234

Outcome 4: An efficient, fair and competitive capital market and regulatory environment for financial institutions.

Measure:

Cost to financial sector of regulatory compliance.

The number and levels of approvals and consents reflect the government's involvement in the regulation of the financial sector. Many of the approvals and consents are one-time events and may rarely be used.

- ◆ Complexity, frequency, and number of forms filed by credit unions, trust companies and insurance companies

Number of Data Points Submitted in Financial Institution Forms						
		Loan and Trust Corporations Act	Insurance Act		Credit Union Act	
			Property & Casualty	Life	Small	Large
Monthly	forms	0	0	0	3	3
	data points	0	0	0	1392	1392
	text	0	0	0	0	0
Quarterly	forms	10	1	0	2	5
	data points	3360	2812	0	1580	2610
	text	0	12	0	0	0
Annual	forms	1	1	2	4	1
	data points	9	4503	8921	274	16
	text	5	253	401	0	0
Special Purpose	forms	14	0	0	10	10
	data points	124	0	0	71	71
	text	32	0	0	9	9
Total	forms	25	2	2	19	19
	data points	3493	7315	8921	3317	4089
	text	37	301	401	9	9

Number of data points represents the total number of data points required in the year for each form. For example, large credit unions must submit three forms each quarter. These forms contain a total of 116 data points, representing 1392 (116 X 12) data points over the year. Some forms required supplementary information, such as copies of special resolutions or lists of classes of shares, that were too large to count as one data point. These were counted separately and are classified under "text". For credit unions, the proposed Financial and Statistical Report to take effect in November 1995 reduces the submitted number of data points to 40% of the previous burden for the average credit union. It does this by reducing the frequency of submission for certain forms from a monthly to quarterly basis for large credit unions and to annually for small credit unions. The data points for the new forms are used in this analysis.

Result: A specific target will be established after consultation with the industry and the Credit Union Deposit Guarantee Corporation

- ◆ Number and levels of government approvals required by legislation or regulations under the Loan and Trust Companies Corporation Act, the Credit Union Act, and the Insurance Act

Number and Levels of Approvals Required						
Act	Lieutenant Governor in Council	Minister	Delegated by Minister to Others	Superintendent of Insurance	Credit Union Deposit Guarantee Corporation	Total Approvals and Consent
Loan and Trust Corporations Act	6	6	45	n/a	n/a	57
Insurance Act	4	4	0	41	n/a	49
Credit Union Act	2	19	36	n/a	42	99

The Corporation and the *Credit Union Act* means the Credit Union Deposit Guarantee Corporation (CUDGC). The *Loan and Trust Corporations Act* and the *Insurance Act* do not have a provincial entity comparable to CUDGC, and thus, have no approvals at this level. Instead, all loan and trust companies must be members of the Canada Deposit Insurance Corporation (CDIC) which is a federal institution, and insurers must be members of industry run compensation plans (CompCorp and PACIC)

Result: A specific target will be established after consultation with the industry and the Credit Union Deposit Guarantee Corporation.

Measure:

Value of market capital raised in Alberta compared to previous years and compared to the total value of market capital raised in Canada.

Result: In 1994-95 approximately \$5.4 billion was raised in Alberta through mutual funds, and other prospectus offerings and private placements. This represents approximately 8.1 % of the \$66.9 billion raised in Canada. Comparable data for previous fiscal year is not available.

Legislation which established the Alberta Securities Commission as a provincial corporation was introduced in the 1995 spring session of the Legislative Assembly.

Alberta Treasury Branches

Alberta Treasury Branches provide Albertans with a full range of financial services at a reasonable cost through a system of branch offices and agencies. Their primary responsibilities include

- ◆ accepting money on deposit
- ◆ loaning money to the public
- ◆ providing domestic and international money services for consumer and corporate needs
- ◆ furnishing safekeeping facilities, credit card services, utility bill remittances, and related sundry financial services

Figure 34
Number of Employees Paid
as at March 31, 1995

Employees	Headquarters	General Offices	Branches
Management Staff			
Operations	66	57	381
Policy	46	—	—
Total	112	57	381
Non-management Staff			
Front-line	13	—	2,260
Program Support	—	—	—
Administrative Support	336	68	—
Total	349	68	2,260
TOTAL	461	125	2,587

- ◆ conducting a profit-oriented operation for the benefit of all Albertans

Figures 34 through 39 provide additional details on Treasury Branch activity during the past fiscal year.

Note: A comprehensive review is published annually with extensive detail on the financial operations and activities of Alberta Treasury Branches. Copies are available from any of its branches or agencies, or from Alberta Treasury Branches' head office at 9925 - 109 Street, Edmonton, Alberta, T5K 2J8, phone 493-7307.

Figure 35
Alberta Treasury Branches
Growth

as at March 31, 1995

	Fiscal Year End 1995	Fiscal Year End 1994
Profit	\$ 34,775,000	\$ 24,461,000
Loan Growth	4.71%	7.89%
Deposit Growth	10.13%	6.27%

Figure 36
Alberta Treasury Branches
Net Income as a Percentage of
Total Income

as at March 31, 1995

1994	(Actual)	8.85%
1995	(Actual)	11.38%
1996	(Budget)	12.09%

Figure 37
Alberta Treasury Branches
Annual Budgets with Comparisons to Actual Results for Past Years

as at March 31, 1995

(thousands of dollars)

	1996	1995		1994	
	Budget	Budget	Actual	Budget	Actual
Net Interest Income	243,931	229,678	243,422	219,059	212,353
Other Income	63,653	61,000	62,250	55,000	64,099
Total Income	307,584	290,678	305,672	274,059	276,452
Provision for Credit Losses	63,278	72,178	74,566	65,750	69,511
Non-Interest Expense	207,104	191,051	196,331	187,309	182,478
Net Income	37,202	27,449	34,775	21,000	24,461

Figure 38
Alberta Treasury Branches
Deposits

(millions of dollars)

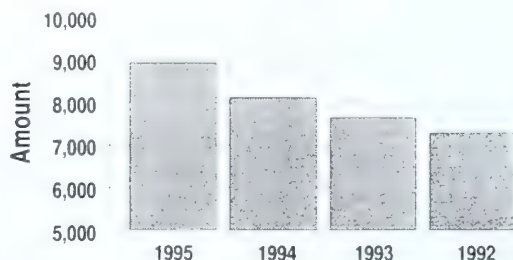
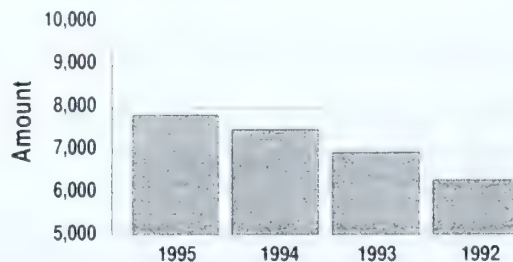


Figure 39
Alberta Treasury Branches
Loans

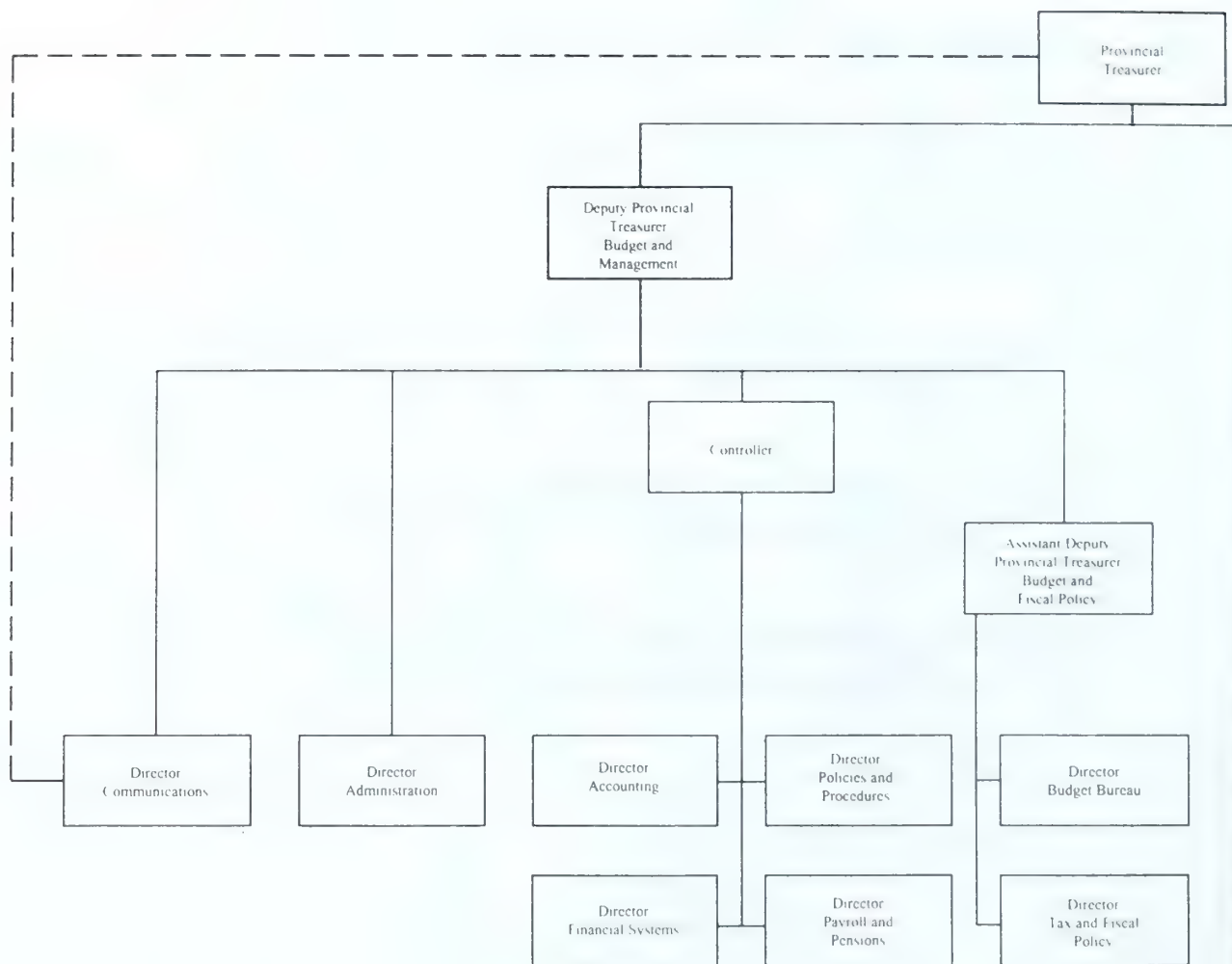
(millions of dollars)

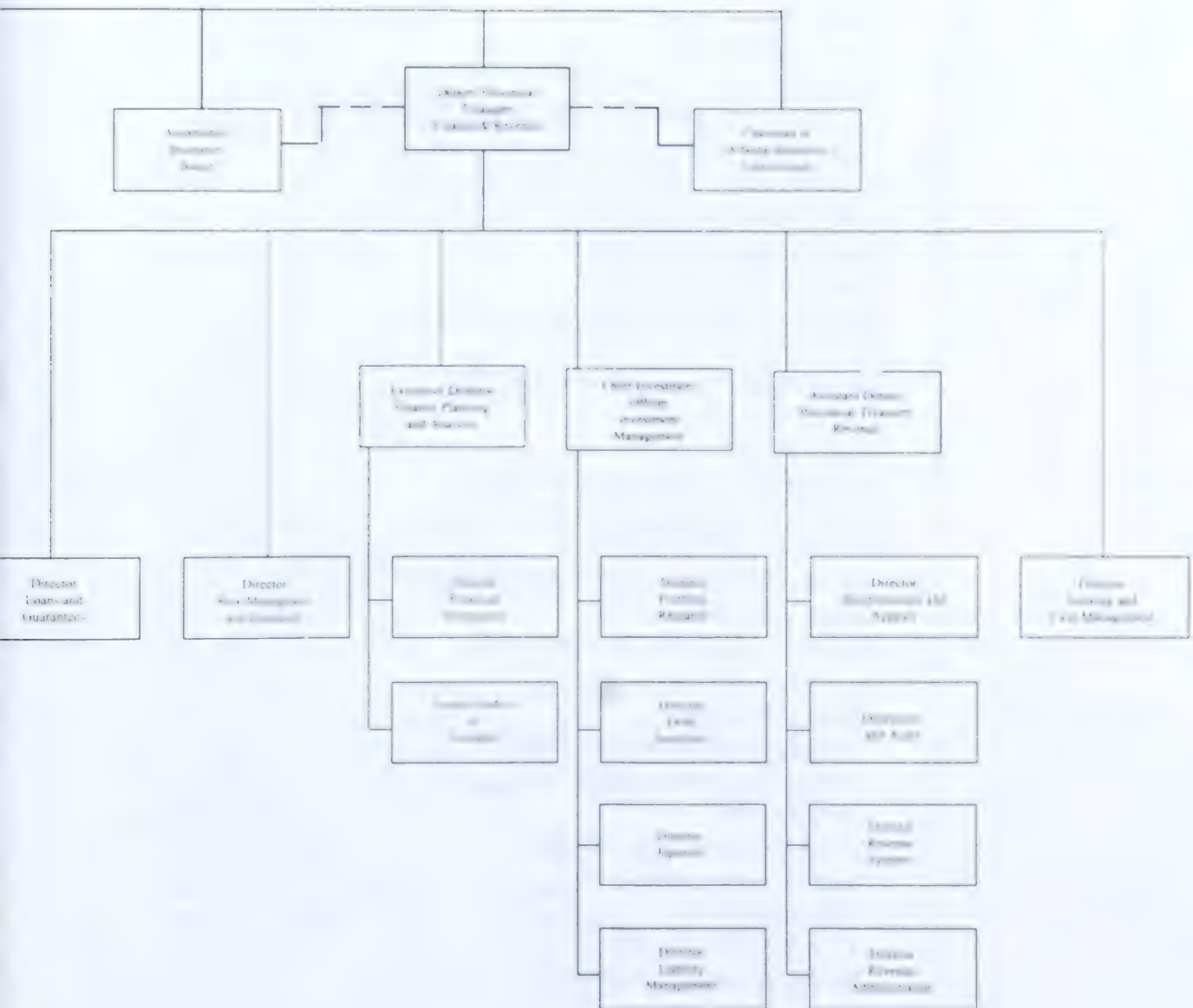


Appendices

- A. Organizational Chart**
- B. Acts Administered by Alberta Treasury**
- C. Publications**
- D. Excerpt from the 1994-95 Public Accounts:
General Revenue Fund Expenditure and Revenue**
- E. Treasury Salaries and Benefits
for the Year Ended March 31, 1995**
- F. Alberta Securities Commission Salaries and Benefits
for the Year Ended March 31, 1995**

Appendix A Alberta Treasury Organizational Chart





Appendix B Acts Administered by Alberta Treasury

As of March 31, 1995

Alberta Corporate Tax Act
Alberta Heritage Savings Trust Fund Act
Alberta Income Tax Act
Alberta Municipal Financing Corporation Act
Alberta Stock Savings Plan Act
Appropriation Acts
Civil Service Garnishee Act
Co-operative Marketing Associations Guarantee Act
Credit Union Act
Deficit Elimination Act
Farm Credit Stability Act
Financial Administration Act
Financial Consumers Act
Franchises Act
Fuel Tax Act
Government Emergency Guarantee Act
Hotel Room Tax Act
Insurance Act
Life Insurance Company of Alberta Act
Loan & Trust Corporations Act
Lottery Fund Transfer Act
Members of the Legislative Assembly Pension Plan Act
Municipal Debentures Act
Native Co-operative Guarantee Act
Pari Mutuel Tax Act
Pension Fund Act
Provincial Debt Reorganization Act
Public Sector Pension Plans Act
Securities Act
Small Business Term Assistance Act
Statistics Bureau Act
Tobacco Tax Act
Treasury Branches Act
Utility Companies Income Tax Rebates Act

Appendix C Publications

The following Alberta Treasury publications are available from

Support Services and Publications, Room 302, Terrace Building
9515 – 107 Street, Edmonton, T5K 2C3 or by calling 427-9951

Alberta Treasury Annual Report

Alberta Budget Documents

 Budget Address

 Quarterly Budget Updates

 Previous years' budget publications

Measuring Up, First Annual Report by the Government of Alberta

A Better Way, A Plan for Securing Alberta's Future

A Better Way II, A Blueprint for Building Alberta's Future

The Alberta Advantage

Estimates Books

 Supplementary Estimates General Revenue Fund

 Government Estimates

 Legislative Assembly Estimates

 Lottery Fund Estimates

Public Accounts

 Volumes 1 to 4

 Supplementary Information to the Public Accounts

 Details of Expenditure by Payee

Alberta Heritage Savings Trust Fund

 Annual Report

 Quarterly Reports

 Future Directions for Alberta's Heritage Fund

Alberta Municipal Financing Corporation Annual Report

The Alberta Financial Review Commission - Report to Albertans

The Alberta Tax Reform Commission - A Report to Albertans

Budget Roundtables

 Right on the Money

 Beyond the Bottom Line - Workbook

 Beyond the Bottom Line - A Summary

Tax Information Services, Sir Frederick W. Haultain Building,
9811 – 109 Street, Edmonton, T5K 2L5 or by calling 427-0712
(1-800-363-6296):

Brochures

An Introduction to Alberta's Corporate Income Tax
Alberta Fuel Tax
Alberta Tobacco Tax
Alberta Royalty Credit Guide for Applicants
International Fuel Tax Agreement (IFTA)

General Information

Information Circulars
Interpretation Bulletins
Tax Notes
Special Notices
Tax Forms and guides to their completion

Financial Institutions, Room 200, Terrace Building, 9515 - 107 Street,
Edmonton, T5K 2C3 or by calling 427-5064 (Fax: 420-0752)

Credit Union Bulletin
Credit Union Information Circulars
Trust Companies Circulars

Appendix D Excerpt from the 1994-95 Public Accounts: General Revenue Fund Expenditure and Revenue

Treasury Expenditure

In dollars thousands

Program Est. No.	Program/Sub-program/Element	Net Estimates	Dedicated Revenue	Total Authorized	Expenditure	Unexpended Grant Expenditure
OPERATING EXPENDITURE - VOTED						
1	Departmental Support Services					
1.0.1	Provincial Treasurer's office	379	—	379	384	(5)
1.0.2	Deputy Provincial Treasurers office	430	—	430	401	29
1.0.3	Administrative support	2,476	—	2,476	2,370	306
1.0.4	Communications	417	—	417	431	(14)
1.0.5	Standing policy committee on financial planning	95	—	95	86	12
		<u>3,797</u>	<u>—</u>	<u>3,797</u>	<u>3,469</u>	<u>328</u>
2	Revenue Collection and Rebates					
2.0.1	Assistant Deputy Provincial Treasurer - revenue	165	—	165	147	23
2.0.2	Operations and audit	7,336	—	7,336	6,998	338
2.0.3	Revenue administration	3,968	—	3,968	3,475	471
2.0.4	Revenue systems	3,475	—	3,475	3,710	(235)
2.0.5	Interpretation and appeals	374	—	374	352	22
2.0.6	Compensation to agents	610	—	610	813	95
		<u>15,928</u>	<u>—</u>	<u>15,928</u>	<u>15,214</u>	<u>714</u>
3	Financial Management, Planning and Central Services					
3.1	Office of the Controller					
3.1.1	Financial practices and standards	827	—	827	717	110
3.1.2	Reporting	1,470	—	1,470	1,378	92
3.1.3	Monitoring and analysis	1,137	—	1,137	1,260	(123)
3.1.4	Operations	4,627	—	4,627	5,343	(716)
3.1.5	Project management/transition	1,394	—	1,394	954	440
		<u>9,455</u>	<u>—</u>	<u>9,455</u>	<u>9,652</u>	<u>(197)</u>
3.2	Budget and Fiscal Policy					
3.2.1	Assistant Deputy Provincial Treasurer - budget and fiscal policy	156	—	156	147	9
3.2.2	Budget bureau	1,385	—	1,385	1,358	27
3.2.3	Tax and fiscal policy	2,037	—	2,037	1,759	278
		<u>3,578</u>	<u>—</u>	<u>3,578</u>	<u>3,264</u>	<u>314</u>
3.3	Finance					
3.3.1	Investment management	711	—	711	641	70
3.3.2	Cash, banking and securities administration	3,049	—	3,049	2,563	486
3.3.3	Finance programs	1,628	—	1,628	1,269	359
		<u>5,388</u>	<u>—</u>	<u>5,388</u>	<u>4,473</u>	<u>915</u>

Treasury Expenditure (cont'd)

In dollars thousands

Program Ref. No.	Program/Sub-program/Element	Net Estimates	Dedicated Revenue	Total Authorized	Expended	Unexpended (Over Expended)
3.4	Risk Management and Insurance					
3.4.1	Risk management and insurance	1,888	—	1,888	1,842	46
3.5	Regulation of Financial Institutions					
3.5.1	Financial institutions	1,276	—	1,276	906	370
3.5.2	Insurance standards	212	1,020	1,232	1,220	12
3.5.3	Automobile Insurance Board	157	—	157	138	19
		1,645	1,020	2,665	2,264	401
3.7	Employee Insurance and Compensation					
3.7.1	Workers' compensation - Government employees	2,750	—	2,750	2,750	—
3.7.2	Retirement annuities and gratuities	11	—	11	10	1
		2,761	—	2,761	2,760	1
		24,715	1,020	25,735	24,255	1,480
4	Regulation of Securities Markets					
4.0.1	Office of the Chairman and Board	585	—	585	446	139
4.0.2	Chief of securities administration	241	—	241	137	104
4.0.3	Administration	1,229	—	1,229	1,166	63
4.0.4	Capital markets	173	560	733	756	(23)
4.0.5	Market standards	828	—	828	739	89
4.0.6	Securities analysis	965	—	965	903	62
4.0.7	Franchises analysis	247	—	247	221	26
4.0.8	Policy development	450	—	450	182	268
		4,718	560	5,278	4,550	728
Total Operating Expenditure - Voted		49,158	1,580	50,738	47,488	3,250

OPERATING EXPENDITURE - STATUTORY

Treasury Revolving Fund	(33)	—	(33)	(18)	(15)
Farm Credit Stability Fund Act	44,500	—	44,500	42,384	2,116
Corporate Tax Interest Refunds	12,000	—	12,000	8,760	3,240
Pension Plan Administration Fund	(275)	—	(275)	(258)	(17)
Pension Liability Funding	96,174	—	96,174	90,589	5,585
Debt Servicing Costs	1,502,000	—	1,502,000	1,570,855	(68,855)
Total Operating Expenditure - Statutory	1,654,366	—	1,654,366	1,712,312	(57,946)

CAPITAL INVESTMENT - VOTED

1	Departmental Support Services					
1.0.3	Administrative support	41	—	41	47	(6)
1.0.4	Communications	16	—	16	11	5
		<u>57</u>	<u>—</u>	<u>57</u>	<u>58</u>	<u>(1)</u>

Treasury Expenditure (cont'd)

In dollars thousand

Program Ref. No.	Program/Sub program/Element	Net Estimates	Dedicated Revenue	Total Authorized	Expended	Unexpended (Over/Expenditure)
2	Revenue Collection and Retention					
2.0.1	Assistant Deputy Provincial Treasurer					
	revenue	2	—	2	2	—
2.0.2	Revenue administration	8	—	8	—	8
2.0.4	Revenue systems	250	—	250	249	1
		258	—	258	251	7
3	Financial Management, Planning and Central Services					
3.1	Office of the Controller					
3.1.1	Financial practices and standards	3	—	3	2	1
3.1.2	Reporting	20	—	20	25	(5)
3.1.3	Monitoring and analysis	13	—	13	6	7
3.1.4	Operations	98	—	98	79	19
3.1.5	Project management/transition	20	—	20	7	13
		154	—	154	119	35
3.2	Budget and Fiscal Policy					
3.2.1	Assistant Deputy Provincial Treasurer					
	- budget and fiscal policy	4	—	4	4	—
3.2.2	Budget bureau	7	—	—	4	3
3.2.3	Tax and fiscal policy	30	—	30	27	3
		41	—	41	35	6
3.3	Finance					
3.3.3	Finance programs	19	—	19	19	—
3.4	Risk Management and Insurance					
3.4.1	Risk management and insurance	3	—	3	—	3
3.5	Regulation of Financial Institutions					
3.5.1	Financial institutions	11	—	11	—	11
		228	—	228	180	48
4	Regulation of Securities Markets					
4.0.3	Administration	50	—	50	36	14
	Total Capital Investment - Voted	590	—	590	525	65
CAPITAL INVESTMENT - STATUTORY						
	Treasury Revolving Fund	135	—	135	94	41
	Pension Plan Administration Fund	470	—	470	364	106
	Total Capital Investment - Statutory	605	—	605	458	147
	Total 1993	1,704,719	1,580 ^a	1,706,299	1,760,783	(54,484)
	Total 1994	1,631,838	—	1,631,838	1,629,268	2,570

^a Includes \$278 approved by Treasury Board under authority of section 29(1.1) of the Financial Administration Act

Treasury Revenue

	In dollars thousands	
	1995	1994
Taxes:		
Personal income tax	3,065,311	2,878,255
Personal tax credits, including administration fees	(2,355)	(1,577)
Corporate income tax	1,269,806	999,037
Corporate small business deductions	(190,700)	(150,117)
Other corporate tax credits and rebates	(5,817)	5,151
Fuel tax	49,283	493,842
Tobacco tax	322,078	312,004
Insurance corporations tax	104,555	81,896
Financial institutions capital tax	41,576	43,423
Hotel room tax	31,624	27,702
Pari-mutuel tax	9,295	9,972
	<u>4,694,656</u>	<u>4,699,588</u>
Non-Renewable Resource Revenue:		
Royalty tax credit	(291,083)	(262,229)
Transfers from Government of Canada:		
Unconditional subsidy	<u>3,932</u>	<u>3,847</u>
Transfers from Government Enterprises:		
Alberta Liquor Control Board	430,000	434,000
Alberta Government Telephones Commission	8,175	-
Revolving funds	3,240	2,623
Alberta General Insurance Company	148	-
	<u>441,563</u>	<u>436,623</u>
Fees, Permits and Licences:		
Alberta Securities Commission	9,890	7,245
Insurance companies, agents and brokers	2,721	2,016
Trust companies	551	515
Other	529	2,750
	<u>13,691</u>	<u>12,526</u>
Other Revenue:		
Investment income:		
Cash and marketable securities	7,096	11,257
Loans and advances	7,273	6,688
General trust investments	559	487
Gain or loss on sale of investments	48,947	(1,481)
Exchange gain or loss on foreign currency transactions	251	(180)
Refunds of expenditure:		
Collection of accounts previously written off	2,358	2,350
Previous years' refunds	2,091	1,103
Third party liability	10	451
Sales of assets:		
Accounts receivable	3,695	4,261
Transfer from Lottery Fund	492,000	113,000
Miscellaneous:		
Alberta Heritage Savings Trust Fund administration fees	1,022	1,521
Pension Fund administration fees	25	1,711
Outstanding cheques	404	1,278
Other	801	831
	<u>566,532</u>	<u>143,277</u>
Total general revenue	5,429,291	5,033,632
Heritage Fund investment income	<u>913,777</u>	<u>1,103,470</u>
Total revenue	<u><u>6,343,068</u></u>	<u><u>6,137,102</u></u>

Appendix E Treasury Salaries and Benefits¹ for the Year Ended March 31, 1995

	1995				1994 ²	
	Number of Individuals ²	Salary ³	Benefits and Allowances ^{4,5}	Total	Number of Individuals ²	Total ⁶
Senior officials						
Deputy Provincial Treasurer - Management and Control ⁶	1	\$ 110,100	\$ 13,685	\$ 123,785	1	\$ 125,555
Deputy Provincial Treasurer - Finance and Revenue ⁷	1	111,850	13,879	125,729	1	125,805
Controller ⁸	1	91,628	16,389	108,017	1	110,718
Executives						
Assistant Deputy Provincial Treasurer - Revenue ⁸	1	84,015	17,175	101,190	1	120,114
Assistant Deputy Provincial Treasurer - Budget and Fiscal Policy	1	87,993	15,228	103,221	1	118,118
Chief Investment Officer	1	96,957	15,645	112,602	1	116,700
Executive Director, Finance Planning and Analysis	1	78,707	15,013	93,720	1	96,100
Other managers						
(average 1995 \$63,996, 1994 \$64,303)	167	8,752,891	1,934,510	10,687,401	176	11,317,370
Other full-time staff						
Professional, technical (average 1995 \$45,743, 1994 \$42,136)	223	8,604,849	1,595,832	10,200,681	275	11,587,521
Administrative support (average 1995 \$31,187, 1994 \$27,506)	306	8,047,865	1,495,362	9,543,227	370	10,177,256
Non-salaried staff¹⁰						
		1,157,841	215,039	1,372,880		1,906,491
Boards, commissions or advisory councils						
Local Authorities Pension Plan Board	16	94,832	—	94,832	2	2,055
Universities Academic Pension Plan Board	8	28,239	—	28,239	—	—
Automobile Insurance Board	3	15,760	—	15,760	3	18,726
Insurance Appeal Board	1	1,238	—	1,238	3	875
Financial Review Commission ¹¹	—	—	—	—	9	4,990
Tax Reform Commission	—	—	—	—	6	36,173
		<u>\$27,364,765</u>	<u>\$5,347,757</u>	<u>\$32,712,522</u>		<u>\$35,864,567</u>

¹ Includes Treasury Revolving Fund and Pensions Administration Fund. Salary disclosures for the following entities are included in their respective financial statements:

Provincial Agencies:	Alberta Insurance Council
Commercial Enterprises:	Credit Union Deposit Guarantee Corporation
	Treasury Branches Deposits Fund

² In 1995, average number of individuals employed during the year. In 1994, actual number of individuals employed during the year.

³ Salaries include regular base pay, overtime, lump sum payments, honoraria and other direct cash remuneration.

⁴ Benefits and allowances include the government's share of benefits provided, including pensions, health care, dental, group life insurance, long-term disability plans, workers' compensation, professional memberships (reimbursed at 80%), tuition and payments in lieu of vacation earned but not taken.

⁵ 1994 comparable information has been restated to remove wage positions from Professional/Technical and Administrative Support categories and to include them under Non-salaried staff.

⁶ Automobile provided, no amount included in benefits and allowances figure.

⁷ Salary includes a cash payment in lieu of an automobile.

⁸ The 1994 benefits include a payment on termination in lieu of vacation that was earned but not taken by the former Assistant Deputy Provincial Treasurer - Revenue, leading to the comparatively larger amount of benefits and allowances.

⁹ The 1995 benefits and allowances are comparatively larger resulting from payments on termination in lieu of vacation earned but not taken. Vacation payouts to individuals separately identified are as follows: Controller \$2,106 (1994 \$3,511); Assistant Deputy Provincial Treasurer, Revenue \$3,282 (1994 \$19,789); Assistant Deputy Provincial Treasurer, Budget and Fiscal Policy \$1,719 (1994 \$12,415); Chief Investment Officer \$1,718 (1994 \$1,774); Executive Director, Finance Planning and Analysis \$1,537.

¹⁰ Excludes Employment Skills, Summer Temporary Employment and Special Placement Programs totalling \$158,501.

¹¹ Excludes 50% of honoraria that was paid by Economic Development and Tourism.

Appendix F Alberta Securities Commission Salaries and Benefits for the Year Ended March 31, 1995

	1995				1994 ⁴	
	Number of Individuals ¹	Salary ²	Benefits and Allowances ^{3,8}	Total	Number of Individuals ¹	Total ⁸
Senior officials						
Chairman, Securities Commission Board ^{5,6}	1	\$ 120,009	\$ 13,908	\$ 133,917	1	\$ 127,880
Chief of Securities Administration ⁷	—	—	—	—	1	46,972
Executives						
Chief of Securities Administration	1	75,007	13,107	88,114	1	90,414
Director, Franchises	1	62,735	14,643	77,378	1	79,855
Director, Securities Analysis	1	65,282	12,607	77,889	1	77,840
Director, Market Standards	1	58,341	14,905	73,246	1	72,245
Other managers (average 1995 \$54,721, 1994 \$59,068)	11	474,624	127,305	601,929	9	531,611
Other full-time staff						
Professional, technical (average 1995 \$44,590, 1994 \$48,431)	20	766,451	125,355	891,806	20	968,621
Administrative support (average 1995 \$27,736, 1994 \$28,247)	33	779,540	135,745	915,285	32	903,892
Non-salaried staff		112,295	21,136	133,431		162,260
Boards, commissions or advisory councils						
Securities Commission Board	8	44,226	—	44,226	9	68,230
		<u>\$2,558,510</u>	<u>\$478,711</u>	<u>\$3,037,221</u>		<u>\$3,129,820</u>

¹ In 1995, average number of individuals employed during the year. In 1994, actual number of individuals employed during the year.

² Salaries include regular base pay, overtime, lump sum payments, honoraria and other direct cash remuneration

³ Benefits and allowances include government's share of benefits provided, including pensions, health care, dental, group life insurance, long-term disability plans, workers' compensation, professional memberships, tuition and payments in lieu of vacation earned but not taken.

⁴ 1994 comparable information has been restated to remove wage positions from Professional/Technical and Administrative Support categories and to include them under Non-salaried staff.

⁵ Automobile provided, no amount included in benefits and allowances figure.

⁶ Includes salary modifier in lieu of pension benefits.

⁷ Position terminated from the Senior Official category in August, 1993. The 1994 figure includes \$11,357 in vacation payout.

⁸ Benefits and allowances include the following vacation payouts for individuals separately identified: Chairman, Securities Commission Board \$6,749; Director, Franchises \$2,573 (1994 \$3,034); Director, Market Standards \$2,638 (1994 \$2,386). The current Chief of Securities Administration had a vacation payout of \$4,224 in 1994.

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